Loan for export of commodities

†2432. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering to grant loan on cheaper rates for export of commodities;

(b) if so, whether Government have taken any steps in this direction; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Based on the representations that large export projects in the country need bank credit for extended period at internationally competitive interest rates, RBI in consultation with the Government of India, announced on 24.9.2001 for a period of one year, from 11.10.2001, a special financial Package for large value export of following select products which are internationally competitive and have high value addition:

(a) Pharmaceuticals (including drugs, fine-chemicals)
(b) Agro-chemicals (including inorganic and organic chemicals)
(c) Transport equipment (including commercial vehicles, two and three wheelers, tractors, railway wagons, locomotives)
(d) Cement (including glass, glassware, ceramics and refractories)
(e) Iron & Steel (including Iron & steel bars, rods and primary and semi finished iron & steel)
(f) Electrical machinery (including transmission line towers, switch gear, transformers)
(g) Leather and leather goods
(h) Textiles

Exporters covered under Special Financial Package will be extended credit at concessional rate of interest for an extended period upto 365 days at pre-shipment as well as post-shipment stages

†Original notice of the question was received in Hindi.

as against the maximum periods of 270 days and 180 days respectively applicable for normal export credits.

Tax free agricultural equipments

†2433. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering to make agricultural equipments tax free;

(b) if so, whether Government have taken any steps so far in this regard; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) Agricultural equipments such as harvesters, machinery for soil preparation, machinery for grading, sorting of seeds, fruits etc. and machinery for poultry keeping are free from central excise duty. Government has reduced the basic customs duty on these equipments from 25% to 15% with effect from 1st March, 2002. Further reduction in basic customs duty is not under consideration as this would result in withdrawal of protection to the domestic manufacturers of such agricultural equipment.

Diversion of funds by Banks

2434. SHRI K. KALAVENKATA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has detected that over 1000 companies had diverted loans taken from banks like Oriental Bank of Commerce, Canara Bank, Andhra Bank, Indian Bank, State Bank of India and its associates;

(b) if so, the amount diverted by the companies;

(c) the action taken against the banks and the companies; and

(d) the other details in this regard?

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†Original notice of the question was received in Hindi.